

**BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

In the Matter of:)	
)	
)	
Joint Application of Duke Energy)	
Carolinas, LLC and Duke Energy)	DOCKET NO. 2020-264-E
Progress, LLC for Approval of Solar)	DOCKET NO. 2020-265-E
Choice Metering Tariffs Pursuant to)	
S.C. Code Ann. Section 58-40-20)	
)	
)	

**SURREBUTTAL TESTIMONY AND EXHIBITS
OF EDDY MOORE**

**ON BEHALF OF THE SOUTH CAROLINA COASTAL CONSERVATION
LEAGUE, SOUTHERN ALLIANCE FOR CLEAN ENERGY, AND UPSTATE
FOREVER**

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1 **I. INTRODUCTION AND QUALIFICATIONS**

2
3 **Q. WHAT IS YOUR NAME AND YOUR CURRENT JOB TITLE?**

4 A: My name is Eddy Moore and I am the Energy & Climate Program Director for the
5 South Carolina Coastal Conservation League (“CCL”).

6 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

7 A. I am testifying on behalf of CCL, the Southern Alliance for Clean Energy (“SACE”),
8 and Upstate Forever.

9 **Q. HAVE YOU TESTIFIED BEFORE THIS COMMISSION BEFORE?**

10 A. Yes. I testified in Docket No. 2019-239-E, Dominion Energy South Carolina’s
11 (“DESC”) Request for Approval of an Expanded Portfolio of Demand Side
12 Management Programs, and a Modified Demand Side Management Rate Rider, on
13 behalf of SACE, CCL, and the South Carolina State Conference of the NAACP. I
14 also testified in Docket No. 2020-229-E, concerning DESC’s Solar Choice tariff
15 proposal.

16 **Q. PLEASE STATE YOUR QUALIFICATIONS.**

17 A. Over the past approximately fifteen years, I have worked extensively in the field of
18 clean energy policy and utility regulation. In my role as the Energy and Climate
19 Program Director for CCL, I manage our program of non-profit advocacy to achieve
20 a wide range of clean energy goals, from opposing offshore oil drilling to the
21 expansion of energy efficiency and renewable energy. Prior to my current role, I was
22 an attorney for the Arkansas Public Service Commission, where I advised the
23 Arkansas Commission on public utility and energy law and policy, including

1 expanding Arkansas' net metering program and its utility-funded energy efficiency
2 programs.

3 I have helped draft and implement customer-based distributed energy
4 resource legislation or regulations in three states: California, Arkansas, and South
5 Carolina. In particular, in South Carolina when the V.C. Summer nuclear project was
6 abandoned, I worked with Kenneth Sercy, then my colleague at CCL, to propose
7 omnibus legislation (introduced as H.4425 in 2018 by Representative James Smith)
8 in response, which included Integrated Resource Planning, expanded energy
9 efficiency programs, and repeal of the Base Load Review Act. That legislation did
10 not pass, but when later net metering legislation also failed (H.4421 in the same
11 session), the conservation community and solar industry worked together to propose
12 a second omnibus bill combining IRP, distributed generation, and other provisions:
13 the Energy Freedom Act (H.3659). This legislation became Act 62. Other
14 conservation allies drafted the first versions of the solar choice provisions in the
15 Energy Freedom Act, and I also helped with comments and suggestions for language.
16 While the final language was the product of compromises along the way, I have a
17 strong sense of the policy goals that drove the creation of the Act.

18 **Q. ARE YOU SPONSORING ANY EXHIBITS WITH YOUR TESTIMONY?**

19 **A.** Yes. I am sponsoring two exhibits. Exhibit A is a copy of H.3659, the Energy
20 Freedom Act (the "Act" or "Act 62"). Exhibit B is a copy of my curriculum vitae.

21 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
22 **PROCEEDING?**

23 **A.** My testimony responds to the rebuttal testimonies of Duke Energy Carolinas and
24 Duke Energy Progress ("Duke Energy" or "the Companies") witnesses Lon Huber,

1 Leigh Ford, Bradley Harris, Janice Hager, and Ahmad Faruqui in support of the
 2 Companies' proposed Solar Choice Program and the accompanying Stipulation filed
 3 in this proceeding. As various Duke witnesses testified, the Stipulation complies with
 4 the letter and spirit of Act 62 and creates a win-win-win solution that works for solar
 5 customers, non-solar customers, and the utility. My testimony also addresses how the
 6 testimony from Office of Regulatory Staff ("ORS") witnesses Robert Lawyer and
 7 Brian Horii fail to address the full requirements of Act 62.

8 **II. STAKEHOLDER PROCESS AND STIPULATION**

9
 10 **Q. WHAT ISSUES IN DEC/DEP WITNESS LEIGH FORD'S REBUTTAL**
 11 **TESTIMONY WOULD YOU LIKE TO ADDRESS?**

12 **A.** Duke Energy Witness Ford offered rebuttal testimony responding to ORS Witness
 13 Brian Horii's claim that the Stipulation "may restrict the information provided by the
 14 Duke witnesses which may, in turn, prevent the sharing of useful information in this
 15 proceeding."

16 **Q. DO YOU AGREE WITH WITNESS FORD'S REBUTTAL TESTIMONY?**

17 **A.** Yes. The Stipulation was reached following a collaborative stakeholder process. The
 18 terms of the Stipulation are transparent and fit the statutory objectives set forth in Act
 19 62. I agree with Witness Ford that there is nothing untoward about this particular
 20 settlement or any of its terms. Nothing in the MOU or Stipulation has restricted the
 21 sharing of useful information from Duke Energy, CCL, or any its co-intervenors.

22 **Q. HAS CCL BEEN PARTY TO ANY SETTLEMENTS IN OTHER**
 23 **PROCEEDINGS BEFORE THIS COMMISSION?**

1 **A.** Yes. For example, CCL and SACE were parties to a settlement in the Duke-Progress
 2 merger docket, which, among other things, resulted in the agreement of Duke Energy
 3 Progress and Duke Energy Carolinas to pursue energy efficiency savings targets of
 4 one-percent of prior year retail sales.¹ In addition, CCL and SACE were parties, along
 5 with ORS, to a settlement with the utilities in the Distributed Energy Resource
 6 Docket pursuant to Act 236.² In these and other settlements, CCL and its nonprofit
 7 partners were able to find win-win solutions that provided lasting benefits for
 8 ratepayers and the public more broadly.

9 When stakeholders who represent multiple points of view have the
 10 opportunity to work together over an extended period of time to work out a solution
 11 that satisfies all of the diverse objectives found in statutes, it can provide a more
 12 durable and comprehensive solution than is likely to be achieved in a fully litigated
 13 docket.

14 **Q. DO YOU AGREE WITH ORS WITNESS LAWYER'S**
 15 **CHARACTERIZATION THAT THE "PRIMARY PURPOSE" OF SOME**
 16 **INTERVENING PARTIES, INCLUDING CCL, SACE, AND UPSTATE**
 17 **FOREVER, "IS TO SELL, LEASE, AND MARKET GOODS AND SERVICES**
 18 **RELATED TO SOLAR TO POTENTIAL CUSTOMER-GENERATORS"?**

19 **A.** No. CCL and our co-intervenors are nonprofit, public interest organizations that are
 20 not in the business of selling or installing solar to the public. We represent the
 21 interests of our members who are Duke Energy customers, regardless of whether they
 22 are customer-generators. Helping to make low-cost clean energy widely available is

¹ Settlement Agreement, *Application Regarding the Acquisition of Progress Energy, Incorporated by Duke Energy Corporation and Merger of Progress Energy Carolinas, Incorporated and Duke Energy Carolinas, LLC*, Docket No. 2011-158-E (Dec. 13, 2011).

² Settlement Agreement, *Petition of ORS to Establish a Generic Proceeding Pursuant to the Distributed Energy Resource Program Act, No. 236 of 2014*, Docket No. 2014-246-E (Dec. 11, 2014).

1 very strongly aligned with the “interests of the using and consuming public.” As I
 2 explain below, the Stipulation and proposed Solar Choice Program put forward by
 3 Duke Energy faithfully fulfill the policy directives in Act 62 and are in the public
 4 interest.

5 **III. STIPULATION COMPLIES WITH RELEVANT PROVISIONS OF THE**
 6 **ENERGY FREEDOM ACT**
 7

8 **Q. DO YOU AGREE WITH DEC/DEP WITNESS LON HUBER’S TESTIMONY**
 9 **THAT THE STIPULATION IN THIS PROCEEDING COMPLIES WITH**
 10 **ACT 62?**

11 **A.** Yes. Act 62 contemplates trying to find a win-win between solar customers and the
 12 utilities, and the Stipulation in this proceeding meets that intent.

13 **Q. WHAT ARE THE OVERALL GOALS OF AND THEMES IN ACT 62?**

14 **A.** The first section of Act 62 establishes a thread that is consistent throughout the Act.
 15 Section 58-41-05 directs the Commission to:

16 “[A]ddress all renewable energy issues in a fair and balanced
 17 manner, considering the costs and benefits of all programs
 18 and tariffs that relate to renewable energy and energy
 19 storage, both as part of the utility’s power system and as
 20 direct investments by customers for their own energy needs
 21 and renewable goals. The commission also is directed to
 22 ensure that the revenue recovery, cost allocation, and rate
 23 design of utilities that it regulates are just and reasonable and
 24 properly reflect changes in the industry as a whole, the
 25 benefits of customer renewable energy, energy efficiency,
 26 and demand response, as well as any utility or state-specific
 27 impacts unique to South Carolina which are brought about
 28 by the consequences of this act.” S.C. Code Ann. § 58-41-05
 29 (emphasis added)
 30

31 Thus, at the outset, Act 62 requires the Commission, when addressing
 32 “renewable energy issues”—a term that encompasses the solar choice issues within

1 this proceeding—to fairly consider the costs and benefits of renewable energy, reflect
2 changes in the utility industry, and ensure that rate designs properly account for the
3 benefits of various types of distributed resources.

4 The second sentence of this provision also directs the Commission to ensure
5 that utility tariffs recognize developments in customer-based renewable energy and
6 other customer-based resources such as energy efficiency and demand response. Act
7 62 acknowledges, and seeks to have the Commission preserve current and future
8 access to customer-owned resources like rooftop solar. As a result, Act 62 requires
9 the Commission to take into account not only the utility’s perspective, but also the
10 perspective of current and future solar customers, and ensure fairness in rate design.

11 **Q. IN ADDITION TO THE INTRODUCTORY PROVISIONS OF THE ENERGY**
12 **FREEDOM ACT, DOES THE ACT AS A WHOLE REFLECT THIS THEME?**

13 **A.** Yes. Outside of Chapter 40 (Net Metering and Solar Choice Metering Programs), the
14 Energy Freedom Act asks the Commission to look anew at, among other things: (1)
15 integrated resource planning; (2) determination of avoided costs for renewable
16 generators; (3) interconnection of renewable generators; (4) expanding low-income
17 access to solar; and (5) revisiting rate design to reflect a customer’s right to engage
18 in cost saving measures such as energy efficiency and rooftop solar. Every one of
19 these provisions is forward-looking and focused on ensuring fair consideration and
20 access for renewable energy and independent or customer-based demand-side
21 resources.

22 **Q. ARE THERE OTHER RELEVANT AND BINDING PROVISIONS OF ACT**
23 **62 AT ISSUE IN THIS PROCEEDING, OTHER THAN THE SOLAR**
24 **CHOICE PROVISIONS?**

1 **A.** Yes. Section 2 of the Act enumerates a list of electrical utility customer rights,
2 following the General Assembly’s finding that there is “a critical need to: (1) protect
3 customers from rising utility costs; (2) provide opportunities for customer measures
4 to reduce or manage electrical consumption from electrical utilities in a manner that
5 contributes to reductions in peak electrical demand and other drivers of electrical
6 utility costs; and (3) equip customers with the information and ability to manage their
7 electric bills.” These findings demonstrate an urgency (i.e., “a critical need”) that the
8 Commission consider how best to protect consumers by enabling them to “reduce or
9 manage electrical consumption from electrical utilities. . . .” The statute encourages
10 the Commission to align this customer demand reduction with utility system cost
11 reduction. This provision indicates that, where possible, neither the utility nor the
12 Commission should pit these two goals against each other.

13 The statute foresees that customers will be equipped with both the information
14 and the ability to manage their bills. This provision can only be read to preclude
15 approval of tariffs that base customers’ bills on information they cannot reasonably
16 see or act upon.

17 Act 62 further guarantees that “[e]very customer of an electrical utility has
18 the right to a rate schedule that offers the customer a reasonable opportunity to
19 employ such energy and cost-saving measures as energy efficiency, demand
20 response, or onsite distributed energy resources in order to reduce consumption of
21 electricity from the electrical utility's grid and to reduce electrical utility costs.” S.C.
22 Code Ann. § 58-27-845(B). Existing solar NEM and future solar choice customers
23 are covered by the phrase “every customer.” If the rate design of a solar choice tariff

1 does not provide a “reasonable opportunity” to reduce their bill through efficiency,
2 demand response, or onsite solar generation, then it violates this statute. For such an
3 opportunity to be reasonable, the rate must—to the degree possible in congruence
4 with other statutory requirements—enable the customer investment in renewable
5 generation referenced in the opening paragraph of the Act.

6 Further, the Act states that for each class of service, that “the commission
7 must ensure” that each utility offers “a minimum of one reasonable rate option that
8 aligns the customer’s ability to achieve bill savings with long-term reductions in the
9 overall cost the electrical utility will incur in providing electric service, including,
10 but not limited to, time-variant pricing structures.” S.C. Code Ann. § 58-27-845(D)
11 (emphasis added).

12 These provisions embody the economic concept that, in the long run, all costs
13 are variable costs. The utility system and external technology are constantly
14 changing. For instance, if a large market develops for customer-based generation and
15 associated demand-management technologies, then there may be less need for
16 ratepayers as a whole to be charged for new generation, transmission, or other
17 investments by the utility, costs that would otherwise be borne by all ratepayers. This
18 requirement of the Act brings together many of the points I already have outlined.
19 Act 62 requires that individual customers be able to take advantage of a rate schedule
20 that aligns their own bill savings with long-term reductions in the cost of utility
21 service to all customers.

22 **Q. WHAT IS THE STATED LEGISLATIVE INTENT OF ACT 62 IN**
23 **ESTABLISHING A SOLAR CHOICE METERING PROGRAM?**

24 **A.** S.C. Code Ann. § 58-40-20(A)(1)-(3) states as follows:

1 (A) It is the intent of the General Assembly to:

2 (1) build upon the successful deployment of solar generating capacity
3 through Act 236 of 2014 to continue enabling market-driven, private investment in
4 distributed energy resources across the State by reducing regulatory and
5 administrative burdens to customer installation and utilization of onsite distributed
6 energy resources;

7 (2) avoid disruption to the growing market for customer-scale
8 distributed energy resources; and

9 (3) require the commission to establish solar choice metering
10 requirements that fairly allocate costs and benefits to eliminate any cost shift or
11 subsidization associated with net metering to the greatest extent practicable.

12 **Q. IS IT COMMON FOR THE LEGISLATURE TO INCLUDE A STATEMENT**
13 **OF INTENT IN TITLE 58 OF THE SOUTH CAROLINA CODE?**

14 **A.** No. In my review of Title 58, I could find very few examples outside of the Energy
15 Freedom Act stating the express intent of the General Assembly. This underscores
16 the significance that the General Assembly explicitly states its intent in the Energy
17 Freedom Act and, specifically, in Chapter 40 (Net Metering and Solar Choice
18 Metering) to build on the successful deployment of customer-generated solar energy,
19 avoid disruptions to the growing market, and consider the cost shift issue to the
20 greatest extent practicable.

21 **Q. DOES THE COMPANIES' PROPOSED SOLAR CHOICE PROGRAM**
22 **APPROPRIATELY BALANCE THESE INTERESTS IN COMPLIANCE**
23 **WITH ACT 62?**

24 **A.** Yes. As required by Section 2 of Act 62, the proposed Solar Choice Program enables
25 solar customer to generate bill savings while also reducing both summer and winter

1 peaks, thereby aligning solar customers' behavior with the greater good for all
2 ratepayers. By properly aligning its time-variant pricing with utility system peaks,
3 the Companies' proposed Solar Choice Program fairly accounts for the costs and
4 benefits of solar, eliminating cost shift and creating a win-win between solar and non-
5 solar customers, rather than an unnecessary standoff. The proposed tariff also
6 preserves the opportunity for solar customers to generate meaningful bill savings,
7 which can drive customer adoption of rooftop solar and help ensure a robust solar
8 market in South Carolina in compliance with the express intent of the Act. Finally,
9 the proposed Solar Choice Program properly recognizes changes in the utility system
10 and emerging technologies by also establishing a platform for customers to adopt
11 other DERs in the future, including energy efficiency measures and battery storage.

12 Act 62 charges both the utility and the Commission to do more than merely
13 allow reasonable cost recovery or avoid cost shifting. It requires development of rates
14 that will enable customers to produce meaningful bill savings, while serving a
15 broader public good. This is a sophisticated objective and one that seeks to empower
16 customers with new rights, departing from the status quo approach to rates and rate
17 design. Duke's proposed Solar Choice Program meets those objectives.

18 **IV. ORS'S RECOMMENDATION IS FLAWED BECAUSE IT CONSIDERS**
19 **ONLY PART OF THE ACT**
20

21 **Q. HOW DO ORS WITNESSES ADDRESS THE LEGISLATIVE INTENT**
22 **BEHIND THE ENERGY FREEDOM ACT?**

23 A. Witness Horii's testimony includes as an Exhibit a 2018 report written by E3
24 regarding cost-shifting (written before the passage of Act 62), and the words "cost

shift” or the concept of cost shifting appears on nearly every page of his Direct Testimony. It is fair to say that ORS has focused its case on the single issue of eliminating cost shifting, which is referenced in one of three legislative purposes governing the solar choice provisions of Act 62. And importantly, even in that provision, the General Assembly directed that the cost shifts be eliminated “to the greatest extent practicable” and in the context of considering benefits and costs of net metering, not absolutely or without consideration of other legislative directives.

Witness Lawyer similarly testified that ORS’s recommendations “focused on the elimination of any cost shift to the greatest extent practicable on customers who do not participate in customer sited solar generation....”Lawyer Direct Test. at 2-3.

Q. IS ELIMINATING COST SHIFT TO THE GREATEST EXTENT PRACTICABLE THE ONLY GOAL OF ACT 62?

A. No. I have outlined the broader goals and requirements of the Act above. But specific to the solar choice provisions, the legislature also intended for the Commission to:

“build upon the successful deployment of solar generating capacity through Act 236 of 2014 to **continue enabling market-driven, private investment in distributed energy resources across the State . . .**” (emphasis added).

The legislature also intended for the Commission to “avoid disruption to the growing market for customer-scale distributed energy resources . . .”

Q. IN THE CONTEXT OF SEVERAL EXPRESS STATUTORY DIRECTIVES AND INTENTS WITH REGARD TO SOLAR CHOICE PARTICULARLY AND TO RENEWABLE AND CUSTOMER-BASED GENERATION MORE GENERALLY, WHAT DOES IT MEAN TO ELIMINATE COST-SHIFTING “TO THE GREATEST EXTENT PRACTICABLE?”

A. Ballentine’s Law Dictionary defines “practicable” as “feasible, workable, or usable.” Ballentine’s Law Dictionary (3d ed. 1969). Merriam-Webster’s online dictionary

1 defines practicable as “capable of being put into practice or of being done or
2 accomplished” or “feasible.” I would say that Act 62 requires the elimination of cost
3 shifting to the greatest degree that it is workable or capable of being put into practice,
4 while also meeting the express goals of building upon the successful deployment of
5 solar generating capacity, enabling market-driven, private investment in renewable
6 energy resources, and avoiding disruption in this market.

7 As I suggest above, the statute does not contemplate that eliminating cost shifting
8 and promoting customer-based renewable energy are mutually exclusive goals. The
9 proposed Solar Choice Program in this proceeding both eliminates cost-shifting to
10 the greatest extent practicable while enabling solar customers to reduce winter peak
11 demand, in alignment with the interests of all ratepayers. That is exactly the kind of
12 outcome envisioned by the Act.

13 **Q. DO YOU AGREE WITH ORS THAT A COST SHIFT RESULTS FROM THE**
14 **COMPANIES’ PROPOSED SOLAR CHOICE TARIFF?**

15 **A.** No. While ORS is incorrect in its position that the Commission should particularly
16 focus on eliminating cost shift, it is nevertheless important to note that the Solar
17 Choice Program proposed under the terms of the Stipulation does eliminate any cost
18 shift to the greatest extent practicable by ensuring that solar customers provide
19 benefits to the utility system that reduce costs for all ratepayers.

20 ORS Witness Horii claims that the proposed Solar Choice tariff does not
21 eliminate cost shift because Duke improperly based its calculation on the cost of
22 service study approved by this Commission in its recent rate case, and advocated for
23 the Companies to switch to a winter peaking methodology, which has not been vetted
24 or approved by this Commission. As Duke Energy Witnesses Faruqui, Hager, and

1 Harris noted in their rebuttal testimonies, the Companies' embedded cost of service
2 study is the basis for the retail rates of all South Carolina customers. Witness Horii's
3 suggested approach is illogical and would result in unjust discrimination against solar
4 customers.

5 **Q. DOES ACT 62 AUTHORIZE THE COMMISSION TO TREAT SOLAR**
6 **CUSTOMERS AS A SEPARATE CLASS?**

7 **A.** No. It requires the utility to study the cost to serve solar customers as though they
8 were a distinct class "for analytical purposes only." Beyond even treating solar
9 customers as a separate class, Mr. Horii would impose an entirely different cost of
10 service methodology on solar customers. Every other customer would have rates
11 based on summer peak, but Mr. Horii would single out solar customers alone (the
12 ones actually helping with summer peak) and base their rates on winter peak.

13 **Q. DID THE GENERAL ASSEMBLY INTEND THAT THE COMMISSION**
14 **ESTABLISH A SOLAR CHOICE TARIFF THAT DISCRIMINATES**
15 **AGAINST SOLAR CHOICE CUSTOMERS?**

16 **A.** No. The Commission also has a more general affirmative duty to root out
17 unreasonable discrimination in rates and service, and to establish rates that are "just
18 and reasonable." There is no sound reason to use entirely different cost of service
19 methodologies for solar and non-solar customers. The resulting rates would not only
20 violate the Act 62 directive to analyze solar customers separately "only" for
21 analytical purposes, it would also violate the general prohibition on rates that are not
22 just, reasonable, and non-discriminatory. See S.C. Code Ann. § 58-5-290.

23 **Q. AT PAGE 31, MR. HORII LISTS THREE SUPPOSED HALLMARKS OF AN**
24 **IDEAL SOLAR CHOICE TARIFF. DO YOU AGREE?**

1 **A.** No. His third “hallmark” is a demand charge. I refer the Commission to the recent,
2 very authoritative work of the Regulatory Assistance Project (“RAP”) regarding
3 demand charges.³ RAP notes that utility companies have long favored demand
4 charges but that economists have questioned them since at least the 1940’s and have
5 favored time-sensitive charges as a better alternative.⁴ Since at least the 1950’s it has
6 been recognized that demand charges pose particular problems for residential
7 customers,⁵ and with modern metering infrastructure there is less and less
8 justification for demand charges, particularly those that are “dumb” with respect to
9 time of use. The authors note that Bonbright himself found little sense in “the
10 imposition of demand charges which penalize consumers for high individual
11 demands even though these demands come at hours or seasons that fall well off the
12 peak loads imposed on the system as a whole or even on any major part thereof.”⁶
13 I would add that the imposition of a demand charge—or any significant fixed charge
14 in excess of a customer charge tied to the incremental cost to serve individual
15 customers—will tend to reduce volumetric rates and thereby reduce the incentive for
16 energy conservation. In other words, his third “hallmark” is not merely problematic
17 in itself—it also negatively affects the second principal concerning time-varying
18 rates. The collective wisdom of the decades of treatises that I have referenced by
19 ratemaking experts is that a time-based, properly targeted volumetric charge is

³See, for instance, Lebel et al., *Demand Charges, What are they Good For* (Nov. 5, 2020), <https://www.raponline.org/knowledge-center/demand-charges-what-are-they-good-for/>. This shorter paper is essentially an excerpt from RAP’s broader treatise on modern ratemaking, *Electric Cost Allocation for a New Era*, available at <https://www.raponline.org/knowledge-center/electric-cost-allocation-new-era/>.

⁴ LeBel, et al. at 41.

⁵ *Id.*

⁶ *Id.* at 10.

superior to substantial fixed charges exceeding the cost of customer connection and billing. This is why his third principal is not one I can agree with, particularly for residential rates.⁷

Q. DO WITNESSES LAWYER AND HORII ADDRESS THE REQUIREMENT IN ACT 62 TO TAKE INTO ACCOUNT ANY UTILITY OR STATE-SPECIFIC IMPACTS UNIQUE TO SOUTH CAROLINA?

A. No. A key consideration in solar economics in South Carolina, for instance, is that a large share of residential solar installations are leased rather than owned. This helps low to moderate income customers have access to solar because there is little to no upfront cost. But it also means that leasing customers and the leasing market are particularly sensitive to fee increases that allow no way for the customer to maintain cost savings through reduced usage or managing time of use. For instance, one reason that fee increases caused such a shock in Nevada is that it is also a solar leasing state, and leasing companies left the state. By narrowing its purview, ORS was unable to consider this state-specific vulnerability to unavoidable fixed charges.

Q. DOES WITNESS HORII RECOGNIZE THE POTENTIAL IMPACT OF HIS RATE PROPOSALS ON CUSTOMERS?

A. Witness Horii is remarkably casual about potential major rate increases on solar customers. He states that:

Zero cost shift tariffs can **easily be developed** using the proposed Permanent Tariff components as a starting point. Table 3 below shows that the proposed Permanent Tariffs would need to be **increased by 40.8% for DEP and 77.3% for DEC** to yield zero cost shift.

It may be easy for Mr. Horii to develop a 41% or 77% rate increase above any minimal cost shift that he argued remains following the stipulation, but it would be

⁷ Horii Direct at 2-3.

1 difficult for customers to pay those rate increases. It is hard to imagine ORS having
2 this attitude about any other class of customers in any other ratemaking matter. Again,
3 this highlights the difficulty raised by ORS's decision to focus only on non-solar
4 customers, rather than on all ratepayers, and to ignore the benefits that can follow to
5 all ratepayers from the stipulation.
6

7 **V. RECOMMENDATIONS & CONCLUSION**

8 **Q. WHAT RECOMMENDATION DO YOU HAVE FOR THE COMMISSION?**

9 **A.** I recommend that the Commission reject ORS' recommendations because they do
10 not comport with all the provisions of Act 62 that the Commission is required to
11 consider when evaluating a solar choice tariff proposal. I recommend that the
12 Commission approve Duke Energy's proposed Solar Choice Program, which is
13 supported by Duke Energy, SACE, CCL, Upstate Forever, the North Carolina
14 Sustainable Energy Association, Solar Energy Industries Association, and Alder
15 Energy in this proceeding. The proposed Solar Choice Program does comport with
16 the letter and spirit of Act 62 and creates a win-win-win solution for the utility, solar
17 customers, and South Carolina's economy.

18 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

19 **A.** Yes.

CERTIFICATE OF SERVICE

I hereby certify that the parties listed below have been served with a copy of the *Surrebuttal Testimony of Eddy Moore* filed on behalf of the South Carolina Coastal Conservation League, Southern Alliance for Clean Energy, and Upstate Forever by electronic mail or by deposit in the U.S. Mail, first-class, postage prepaid.

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This 8th day of March, 2021.

s/ Kate Lee. Mixson